

Received & Inspected

OCT 21 2013

FCC Mail Room

DOCKET FILE COPY ORIGINAL



5929 Balcones Drive, Suite 200
Austin, TX 78731-4280
Phone: 512.343.2544
Fax: 512.343.0119

REDACTED - FOR PUBLIC INSPECTION

VIA OVERNIGHT DELIVERY

October 14, 2013

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

RE: Annual Report for Five Area Telephone Cooperative, Inc. Pursuant to 47 C.F.R. §54.313 and 54.422, WC Docket Nos. 10-90 and 11-42

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§ 54.313 and 54.422 Five Area Telephone Cooperative, Inc. (the Cooperative), Study Area Code 442071, is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS). Section 3005 of the Form 481 requires a privately-held rate of return carrier receiving high cost support to attach financial information pursuant to 47 C.F.R. § 54.313(f)(2). The Cooperative maintains that the financial information is confidential and is submitting through ECFS a redacted document as an attachment for section 3005 of the FCC Form 481 in WC Docket Nos. 10-90 and 11-42.

Five Area Telephone Cooperative, Inc., by its authorized representative, hereby submits confidential information pursuant to 47 C.F.R. § 54.313(f)(2), under seal, subject to the Protective Order adopted November 16, 2012 in the above-named dockets.¹ The Cooperative is providing to the Office of the Secretary the original and one copy of the cover letter and confidential information for WC Docket No. 10-90. The confidential information relates only to WC Docket No. 10-90. There is no claim of confidentiality for any information related to WC Docket No. 11-42.

Two copies of this cover letter and confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, in accordance with the Protective Order.

¹ FCC Record DA 12-1857

No. of Copies rec'd 0+3
List ASCDE



Marlene H. Dortch
October 14, 2013
Page 2 of 2

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as an attachment to the FCC Form 481.

Each page of the confidential submission bears the legend, "CONFIDENTIAL FINANCIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION"

An original and three copies of the redacted confidential information and cover letter are also being filed simultaneously with the non-redacted confidential information, in accordance with the August 6, 2013 Public Notice (DA 13-1707). The original and one copy are provided for WC Docket No. 10-90 and two additional copies are provided for WC Docket No. 11-42. The redacted version of the cover letter for this filing and each page of the filing is marked "REDACTED - FOR PUBLIC INSPECTION."

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Deb Morgan". The signature is written in a cursive, flowing style.

Deb Morgan
Authorized Representative for
Five Area Telephone Cooperative, Inc.

DM/pjf

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau,
Federal Communications Commission (2 hardcopies of non-redacted submission)
Mr. Sandy Vandevender, Five Area Telephone Cooperative, Inc.

<010> Study Area Code 442071

<015> Study Area Name FIVE AREA TEL. COOP. INC

<020> Program Year 2014

<030> Contact Name: Person USAC should contact with questions about this data Patti Kent

<035> Contact Telephone Number: Number of the person identified in data line <030> (806) 272-5533

<039> Contact Email Address: Email of the person identified in data line <030> pattik@fivearea.com

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<100> Service Quality Improvement Reporting	(complete attached worksheet)	(check box when complete)
<200> Outage Reporting (voice)	(complete attached worksheet)	
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		
<300> Unfulfilled Service Requests (voice)		
<310> Detail on Attempts (voice)	(attach descriptive document)	
<320> Unfulfilled Service Requests (broadband)		
<330> Detail on Attempts (broadband)	(attach descriptive document)	
<400> Number of Complaints per 1,000 customers (voice)		
<410> Fixed 0.0		
<420> Mobile		
<430> Number of Complaints per 1,000 customers (broadband)		
<440> Fixed		
<450> Mobile		
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	
<510> 442071tx510	(attach descriptive document)	
<600> Functionality in Emergency Situations	(check to indicate certification)	
<610> 442071tx610	(attach descriptive document)	
<700> Company Price Offerings (voice)	(complete attached worksheet)	
<710> Company Price Offerings (broadband)	(complete attached worksheet)	
<800> Operating Companies and Affiliates	(complete attached worksheet)	
<900> Tribal Land Offerings (Y/N)?	(if yes, complete attached worksheet)	
<1000> Voice Services Rate Comparability	(check to indicate certification)	
<1010>	(attach descriptive document)	
<1100> Terrestrial Backhaul (Y/N)?	(if not, check to indicate certification)	
<1110>	(complete attached worksheet)	
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	
<2005>	(complete attached worksheet)	

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	
<3005>	(complete attached worksheet)	

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code

442071

<015> Study Area Name

FIVE AREA TEL. COOP. INC

<020> Program Year

2014

<030> Contact Name - Person USAC should contact regarding this data

Patti Kent

<035> Contact Telephone Number - Number of person identified in data line <030>

(806) 272-5533

<039> Contact Email Address - Email Address of person identified in data line <030>

pattikentfivearea.com

<110> Has your company received its ETC certification from the FCC?

(yes / no) ☒ ☐

<111> If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?

(yes / no) ☐ ☐

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<113> Maps detailing progress towards meeting plan targets

<114> Report how much universal service (USF) support was received

<115> How (USF) was used to improve service quality

<116> How (USF) was used to improve service coverage

<117> How (USF) was used to improve service capacity

<118> Provide an explanation of network improvement targets not met in the prior calendar year.

-- See attached worksheet --

<703>

[illegible]

<711>

10/07/2013

<010>	Study Area Code	442071
<015>	Study Area Name	FIVE AREA TEL. COOP. INC
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Patti Kent
<035>	Contact Telephone Number - Number of person identified in data line <030>	(806) 272-5533
<039>	Contact Email Address - Email Address of person identified in data line <030>	pattik@fivearea.com
<810>	Reporting Carrier	Five Area Telephone Cooperative, Inc.
<811>	Holding Company	Five Area Telephone Cooperative, Inc.
<812>	Operating Company	

[illegible]

T1025b

FIVE AREA TEL. COOP. INC

2014

Patti Kent

030> (806) 272-5533

pattik@fivearea.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

[illegible]

<010>	Study Area Code	442071
<015>	Study Area Name	FIVE AREA TEL. COOP. INC
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Patti Kent
<035>	Contact Telephone Number - Number of person identified in data line <030>	(806) 272-5533
<039>	Contact Email Address - Email Address of person identified in data line <030>	pattik@fivearea.com

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G) ☐

442071
 FIVE AREA TEL. COOP. INC
 2014
 Patti Kent
 (806) 272-5533
 pattik@fivearea.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans
 442071tx1210
 Name of attached document (.pdf)

<1220> Link to Public Website HTTP

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒

<1222> Details on the number of minutes provided as part of the plan, ☒

<1223> Additional charges for toll calls, and rates for each such plan. ☒

<010>	Study Area Code	442071
<015>	Study Area Name	FIVE AREA TEL. COOP. INC
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Patti Kent
<035>	Contact Telephone Number - Number of person identified in data line <030>	(806) 272-5533
<039>	Contact Email Address - Email Address of person identified in data line <030>	pattie@fivearea.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting		
<2010>	2nd Year Certification (47 CFR § 54.313(b)(1))	<input type="checkbox"/>
<2011>	3rd Year Certification (47 CFR § 54.313(b)(2))	<input type="checkbox"/>
Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))		
<2012>	2013 Frozen Support Certification	<input type="checkbox"/>
<2013>	2014 Frozen Support Certification	<input type="checkbox"/>
<2014>	2015 Frozen Support Certification	<input type="checkbox"/>
<2015>	2016 and future Frozen Support Certification	<input type="checkbox"/>
Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))		
<2016>	Certification Support Used to Build Broadband	<input type="checkbox"/>
Connect America Phase II Reporting (47 CFR § 54.313(e))		
<2017>	3rd year Broadband Service Certification	<input type="checkbox"/>
<2018>	5th year Broadband Service Certification	<input type="checkbox"/>
<2019>	Interim Progress Certification	<input type="checkbox"/>
<2020>	Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(iii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	<input type="checkbox"/>
<2021>	Interim Progress Community Anchor Institutions	<input type="checkbox"/>

Name of Attached Document Listing Required Information

<010>	Study Area Code	442071
<015>	Study Area Name	FIVE AREA TEL. COOP. INC
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Patti Kent
<035>	Contact Telephone Number - Number of person identified in data line <030>	(806) 272-5533
<039>	Contact Email Address - Email Address of person identified in data line <030>	pattik@fivearea.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan	Name of Attached Document Listing Required Information	(Yes/No)
(3010) Milestone Certification (47 CFR § 54.313(f)(1)(i)) Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(i), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.		<input checked="" type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3011) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii)) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))? If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input checked="" type="checkbox"/> (Yes/No) <input checked="" type="checkbox"/> (Yes/No)
(3012) PDF of Balance Sheet, Income Statement and Statement of Cash Flows If the response is yes on line 3014, attach your company's RUS annual report and all required documentation If the response is no on line 3014, is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3013) Management letter issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3014) Underlying information subjected to an officer certification. PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/> (Yes/No) <input type="checkbox"/> (Yes/No)
(3015) Attach the worksheet listing required information		<input type="checkbox"/> (Yes/No)



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<015>	Study Area Name	FIVE AREA TEL. COOP. INC
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Patti Kent
<035>	Contact Telephone Number - Number of person identified in data line <030>	(806) 272-5533
<039>	Contact Email Address - Email Address of person identified in data line <030>	pattik@fivearea.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	



<010>	Study Area Code	442071
<015>	Study Area Name	FIVE AREA TEL. COOP. INC
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Patti Kent
<035>	Contact Telephone Number - Number of person identified in data line <030>	(806) 272-5533
<039>	Contact Email Address - Email Address of person identified in data line <030>	pattik@fivearea.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Deb Morgan</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	Deb Morgan
Name of Reporting Carrier:	FIVE AREA TEL. COOP. INC
Signature of Authorized Officer:	CERTIFIED ONLINE
Printed name of Authorized Officer:	Sandy Vandevender
Title or position of Authorized Officer:	EVP
Telephone number of Authorized Officer:	806-272-5533
Study Area Code of Reporting Carrier:	442071
Filing Due Date for this form:	10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	FIVE AREA TEL. COOP. INC
Name of Authorized Agent or Employee of Agent:	Deb Morgan
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE
Printed name of Authorized Agent or Employee of Agent:	Deb Morgan
Title or position of Authorized Agent or Employee of Agent:	Manager - Business Compliance
Telephone number of Authorized Agent or Employee of Agent:	512-343-2544
Study Area Code of Reporting Carrier:	442071
Filing Due Date for this form:	10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

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Attachments

442071

<010> Study Area Code

<015> Study Area Name FIVE AREA TEL. COOP. INC

<020> Program Year 2014

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<035> Contact Telephone Number - Number of person identified in data line <030> (806) 272-5533

<039> Contact Email Address - Email Address of person identified in data line <030> pattik@fivearea.com

<810> Reporting Carrier Five Area Telephone Cooperative, Inc.

<811> Holding Company Five Area Telephone Cooperative, Inc.

<812> Operating Company

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<813>

Affiliates

Doing Business As Company or Brand Designation

SAC

West Plains Telecommunications, Inc.

Five Area Systems, Inc.

Five Area Long Distance, Inc.

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LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE

Five Area Telephone Cooperative, Inc. complies with applicable service quality standards and consumer protection rules as required by the state regulatory commission and the Federal Communications Commission.

The rates, terms, and conditions under which the Cooperative operates are outlined in its Local Exchange Tariff, which is approved by the state commission. The Cooperative's tariff contains provisions regarding its customer service and protection practices, including resolving disputes with the Cooperative, applying for service, the classification of business and residential rates, deposits, billing and payment for service, refusal, disconnection and cancellation of service. The tariff is available for customer review in the Business Office, as requested. Rates and terms of service are disclosed to customers upon application for service both verbally and in writing as part of a packet of information for new customers. Rates, applications and certain terms of service are also available on the Cooperative's website.

Service quality standards are established by the state commission and the Cooperative consistently meets or exceeds the standards and provides reports to the state commission, in accordance with the state commission's rules.

The protection of customers' privacy and information is of utmost importance and the Cooperative has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Cooperative's compliance with CPNI rules and a description of the Cooperative's operating procedures that ensure compliance are filed at the FCC annually.

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LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS

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Five Area Telephone Cooperative, Inc. is able to function in emergency situations. The Cooperative has a reasonable amount of back-up power to ensure functionality without an external power source. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored. The network is capable of managing traffic spikes resulting from emergency situations.

The Cooperative is able to reroute traffic around damaged facilities. Although the Cooperative's ability to reroute traffic around damaged facilities is not absolute and may be limited in certain circumstances, there is a restoration plan in place for expeditious recovery of service, including splicing of damaged facilities when warranted.

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LINE 1210 - TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS

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Five Area Telephone Cooperative, Inc. (the Cooperative) offers Lifeline subscribers federal and state Lifeline discounts to a stand-alone residential local exchange access line rate of \$16.60 or \$17.10 and a Subscriber Line Charge of \$6.50. The local exchange access line rate includes an unlimited amount of local calling minutes within the local exchange calling scope and Tone Dialing Service. Additional charges for toll calls associated with the stand-alone residential access line are billed at the rates of the long distance carrier chosen by the subscriber. There are no additional voice telephony plans offered although a Lifeline customer may subscribe to other services such as custom calling features at the standard rates offered to all customers. Attached are pages from the Cooperative's Local Exchange Tariff describing terms and conditions. The Cooperative's website also provides residential customers an information page that lists Lifeline discounts and rates located at: <http://www.fivearea.com/LIFELINE%20SERVICE%20PROGRAM.pdf>.

FIVE AREA TELEPHONE COOPERATIVE, INC.
MULESHOE, TEXAS

SECTION 4
4th Revised Page 2
Replacing 3rd Revised Page 2

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

II. LOCAL EXCHANGE SERVICE RATES

A. Monthly Local Exchange Service Rates

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<u>EAS Exchange(s)</u>	<u>Rot. Bus. Acc.</u>	<u>Res. Acc.</u>	<u>Key Acc.</u>	<u>PBX Acc.</u>
Bula (806-933)	\$33.25	\$17.10	\$48.50	\$50.80
Littlefield (806-385)				
Maple (806-927)				
Needmore (806-946)				
Sudan (806-227)				
Lariat (806-925)	32.25	16.60	47.00	50.40
Lazbuddie (806-965)				
Muleshoe (806-272)				
Lazbuddie (806-965)	32.25	16.60	47.00	50.40
Earth (806-257)				
Lariat (806-925)				
Muleshoe (806-272)				
Lehman (806-525)	32.25	16.60	47.00	50.40
Morton (806-266)				
Maple (806-927)				
Maple (806-927)	32.25	16.60	47.00	50.40
Morton (806-266)				
Lehman (806-525)				
Needmore (806-946)				
Bula (806-933)				
Needmore (806-946)	32.25	16.60	47.00	50.40
Muleshoe (806-272)				
Maple (806-927)				
Bula (806-933)				
Sudan (806-227)				

N
N

T

N
N

By: Sandy Vandevender
Title: Executive Vice President and General Manager
Effective: April 2, 2012

LOCAL EXCHANGE SERVICE

The Lifeline Program is a retail local service offering designed to make telephone service available at reduced rates to qualifying low-income customers.

1. A qualifying low-income customer subscribing to the Lifeline Program shall receive federal and state reductions to their monthly tariffed residential local exchange access line rate.

2. Nothing in this section shall prohibit a customer who is otherwise eligible for the Lifeline Program from obtaining and using telecommunications equipment and services designed to aid such customer in utilizing qualifying telecommunications services.

3. Lifeline Program reductions do not apply to surcharges, taxes, long distance service, 976 and other information related telecommunications services, and optional services such as custom calling features. Customers may obtain these services, where available, at their discretion.

4. The Lifeline Program rate reductions do not apply to service connection charges.

By: Sandy Vandevender Effective: April 2, 2012
Title: Executive Vice President and General Manager

FIVE AREA TELEPHONE COOPERATIVE, INC.
MULESHOE, TEXAS

SECTION 4
5th Revised Page 9
Replacing 4th Revised Page 9

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

A. General (Continued)

5. The Cooperative may not disconnect the service of a Lifeline Program customer for non-payment of toll charges. However, the Cooperative reserves the right to implement toll blocking, at no charge, if the customer incurs a significant balance of unpaid toll bills. The Cooperative will inform the customer, by direct mail, of this change to their service due to the customer's non-payment of toll charges. Upon the customer's payment of all outstanding toll charges, the Cooperative shall remove mandatory toll blocking at no charge.

T

6. Upon subscribing to the Lifeline Program, a customer will be offered a subscription, at no charge, to toll blocking service (in exchanges where technically available) which denies the customer access to the long distance telecommunications network; however, the customer is under no obligation to accept the subscription to toll blocking.

T

7. The Lifeline Program rate reductions will not be available on a retroactive basis unless approved by the Public Utility Commission of Texas or the Low-Income Discount Administrator (LIDA).

T

B. Designated Lifeline Program Services

The Cooperative shall offer voice telephony services that provide the following functionalities as designated Lifeline Program services:

T

1. Voice grade access to the public switched network or its functional equivalent
2. Minutes of use for local service provided at no additional charge to the customer
3. Access to emergency services
4. Toll blocking service

T

By: Sandy Vandevender
Title: Executive Vice President and General Manager

Effective: April 2, 2012

FIVE AREA TELEPHONE COOPERATIVE, INC.
MULESHOE, TEXAS

SECTION 4
4th Revised Page 10
Replacing 3rd Revised Page 10

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

C. Eligibility Requirement

1. Qualifying (Eligible) Customer Criteria

An eligible customer shall be defined as an individual whose annual household income is at or below 150% of the federal poverty guidelines or in whose household resides a person who receives or has a child who receives benefits from at least one of the following programs:

- a. Medicaid
- b. Food Stamps (Supplemental Nutrition Assistance Program)
- c. Supplemental Security Income (SSI)
- d. Federal Public Housing Assistance (FPHA)
- e. Low-Income Heat and Energy Assistance Program (LIHEAP)
- f. Health benefits coverage under the state Children's Health Insurance Program (CHIP)
- g. National School Lunch Program's Free Lunch Program
- h. Temporary Assistance for Needy Families

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The Lifeline Program rate reductions will be provided to each customer. The Low-Income Discount Administrator (LIDA) will provide a list of eligible customers to the Cooperative each month.

2. Obligations of the Customer

a. Customers whose annual household income is at or below 150% of the federal poverty guidelines or who participate in FPHA or LIHEAP programs may self-enroll for Lifeline Program benefits by completing an application form and returning it to LIDA. LIDA will send a blank application upon customer request. LIDA can be reached at 1-866-4LITEUP. Current customers receiving benefits under Medicaid, Food Stamps, SSI or CHIP will be subject to the Lifeline Program automatic enrollment procedures as provided by the LIDA unless they provide a written request to the LIDA to be excluded from the Lifeline Program.

b. A customer who is eligible for the Lifeline Program but does not have telephone service at the time the LIDA provides its eligibility list to the Cooperative, shall be responsible for initiating a request for the Lifeline Program from the Cooperative.

By: Sandy Vandevender

Effective: June 1, 2012

Title: Executive Vice President and General Manager

FIVE AREA TELEPHONE COOPERATIVE, INC.
MULESHOE, TEXAS

SECTION 4
4th Revised Page 11
Replacing 3rd Revised Page 11

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

C. Eligibility Requirement (Continued)

3. Obligations of the Cooperative

a. LIDA will provide a list of eligible customers to the Cooperative on a monthly basis. Upon receipt of the list, the Cooperative shall begin reduced billing for those customers within 30 days.

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4. Discontinuance of Service

a. Discontinuance of Lifeline Discounts for customers automatically enrolled: The eligibility period for automatically enrolled customers is the length of their enrollment in Texas Health and Human Services Commission (THHSC) benefits plus a period of 60 days for renewal. Automatically enrolled customers will have an opportunity to renew their THHSC benefits or self-enrollment with LIDA upon the expiration of their automatic enrollment.

By: Sandy Vandevender
Title: Executive Vice President and General Manager

FIVE AREA TELEPHONE COOPERATIVE, INC.
MULESHOE, TEXAS

SECTION 4
2nd Revised Page 11.1
Replacing 1st Revised Page 11.1

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

C. Eligibility Requirement (Continued)

4. Discontinuance of Service (Continued)

b. Discontinuance of Lifeline Discounts for customers who have self-enrolled: Individuals not receiving benefits through THHSC programs, but who have met Lifeline income qualifications, are eligible to receive the Lifeline Discount for seven months, which includes a period of 60 days during which the customer may renew their eligibility with LIDA for an additional seven months. T

D. Deposit and Credit Requirements

1. The Cooperative shall be prohibited from charging a service deposit in order to initiate the Lifeline Program if the eligible customer voluntarily elects to receive toll blocking.

2. The Cooperative may charge a service deposit if the eligible customer denies subscription to toll blocking upon subscribing to the Lifeline Program.

3. In instances where the Cooperative may require a service deposit, the same credit verification procedures and deposit regulations used for all applicants who apply for service with the Cooperative are also applicable to eligible customers for the Lifeline Program.

By: Sandy Vandevender
Title: Executive Vice President and General Manager

FIVE AREA TELEPHONE COOPERATIVE, INC.
MULESHOE, TEXAS

SECTION 4

2nd Revised Page 12

Replacing 1st Revised Page 12

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

E. Service Connection Charges

1. Service connection charges do not apply to eligible customers with existing, qualifying service converting to the Lifeline Program.

2. Service connection charges do apply when:

a. Existing eligible customers request additional non-qualifying services at the time Lifeline Program reduced billing is initiated.

b. New customers (those without existing local exchange access service) eligible for the Lifeline Program establish service.

c. Customers make subsequent moves or changes after initial connection to the Lifeline Program.

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By: Sandy Vandevender Effective: April 2, 2012
Title: Executive Vice President and General Manager

FIVE AREA TELEPHONE COOPERATIVE, INC.
MULESHOE, TEXAS

SECTION 4
2nd Revised Page 13
Replacing 1st Revised Page 13

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

F. Lifeline Program Rate Reduction

1. Implementation

The Cooperative shall provide reduced billing to all Lifeline Program eligible customers within its service area in accordance with the Commission's Substantive Rule.

In instances where a customer inquires about participation in the Lifeline Program, the Cooperative shall provide contact information for LIDA.

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By: Sandy Vandevender
Title: Executive Vice President and General Manager

FIVE AREA TELEPHONE COOPERATIVE, INC.
MULESHOE, TEXAS

SECTION 4

5th Revised Page 14

Replacing 4th Revised Page 14

MEMBER SERVICES TARIFF

LOCAL EXCHANGE SERVICE

IV. LIFELINE PROGRAM (Continued)

F. Lifeline Program Rate Reduction (Continued)

2. Amounts

The Cooperative shall apply Lifeline Program rate reductions, per eligible customer, as described below.

Monthly
Rate Reduction

a. Federal Reduction Applied to
Federal Subscriber Line
Charge and Residential
Local Exchange Access Line
Charge

47.C.F.R.
Section 54.403

b. Maximum State Reduction to
Residential Local Exchange
Access Line Rate

\$3.50

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By: Sandy Vandevender
Title: Executive Vice President and General Manager

According to the Paperwork Reduction Act of 1995, no agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0573-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 or seq. and, subject to Federal laws and regulations regarding confidential information, will be treated as confidential.

BORROWER NAME

Five Area Telephone Cooperative, Inc.

(Prepared with Audited Data)

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.
For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING

December, 2012

BORROWER DESIGNATION

TX0506

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1768, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1768 OF 7CFR CHAPTER XVII
(Check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) inform specifically described in the Telecom Operating Report

Sandy Vandevander

3/28/2013

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 thru 9)			39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Recaptured Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstanding & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+58+59)		

Total Equity = 78.05% % of Total Assets

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

TX0506

PERIOD ENDING

December, 2012

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 6 less 6)		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
14. Total Operating Expenses (8 thru 13)		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expenses - Capital Leases		
24. Other Interest Expenses		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debts Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+24) - (35+36+37+38)]		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+28) / 7]		
47. TIER [(31+28) / 26]		
48. DSCR [(31+28+10+11) / 44]		

USDA-RUS						BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS						TX0608	
INSTRUCTIONS - See RUS Bulletin 1744-2						PERIOD ENDED December, 2012	
Part C: SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION							
EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
BULA							
LARAT							
LAZBUDDIE							
LEHMAN							
MAPLE							
NEEDMORE							
Mobile/Wireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges							

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS			BORROWER DESIGNATION TX0506 <hr/> PERIOD ENDING December, 2012		
INSTRUCTIONS - See RUS Bulletin 1744-2					
PART D. SYSTEM DATA					
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Square Mile	
PART E. TOLL DATA					
1. Study Area ID Code(s) a. 442071 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one) Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis			
PART F. FUNDS INVESTED IN PLANT DURING YEAR					
1. RUS, RTB, & FFB Loan Funds Expended					
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)					
6. Salvaged Materials					
7. Contribution in Aid to Construction					
8. Gross Additions to Telecom. Plant (1 thru 7)					
PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

USDA-RUS
OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

TX0506

PERIOD ENDING

December, 2012

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

☒ YES ☐ NO

EQUIPMENT CATEGORY

DEPRECIATION RATE

1. Land and support assets - Motor Vehicles	
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	
5. Land and support assets - Buildings	
6. Land and support assets - Furniture and Office equipment	
7. Land and support assets - General purpose computers	
8. Central Office Switching - Digital	
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER DESIGNATION TX0506
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2012
PART I - STATEMENT OF CASH FLOWS		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net Income		
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		
4. Add: Amortization		
5. Other (Explain) changes in accrued interest/accrued taxes		
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		
7. Decrease/(Increase) in Materials and Inventory		
8. Decrease/(Increase) in Prepayments and Deferred Charges		
9. Decrease/(Increase) in Other Current Assets		
10. Increase/(Decrease) in Accounts Payable		
11. Increase/(Decrease) in Advance Billings & Payments		
12. Increase/(Decrease) in Other Current Liabilities		
13. Net Cash Provided/(Used) by Operations		
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		
15. Increase/(Decrease) in Notes Payable		
16. Increase/(Decrease) in Customer Deposits		
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		
20. Less: Payment of Dividends		
21. Less: Patronage Capital Credits Retired		
22. Other (Explain) Error on Line 19 due to reclassification in 2011 between equity accounts		
23. Net Cash Provided/(Used) by Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		
25. Other Long-Term Investments		
26. Other Noncurrent Assets & Jurisdictional Differences		
27. Other (Explain) cost of plant retirements and net salvage		
28. Net Cash Provided/(Used) by Investing Activities		
29. Net Increase/(Decrease) in Cash		
30. Ending Cash		

Revision Date 2010

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>TX0506</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2012</p>
<p>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	
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<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>TX0506</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2012</p>
<p>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	
<p></p>	

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-2506

FAX: (806) 747-2515

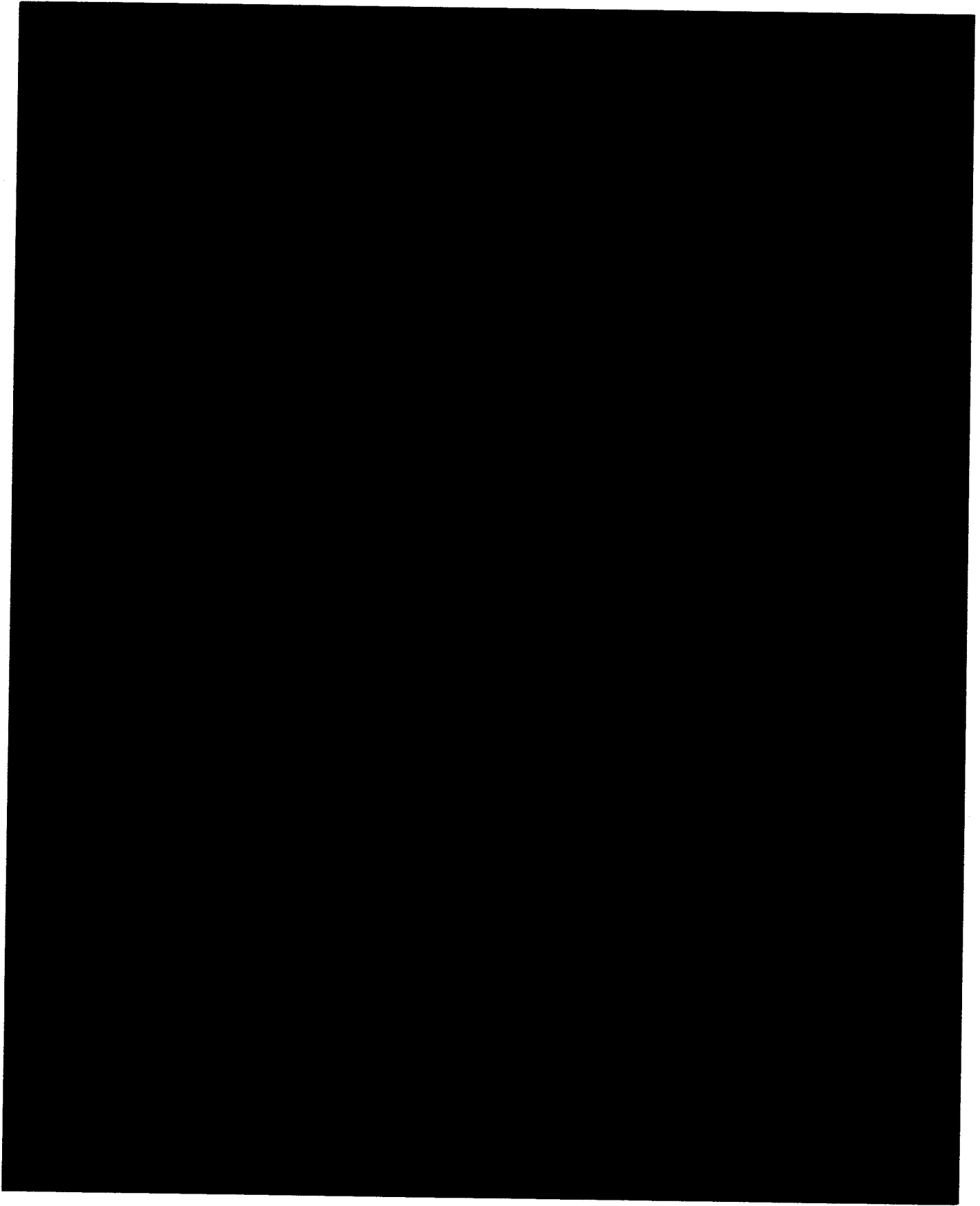
2215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

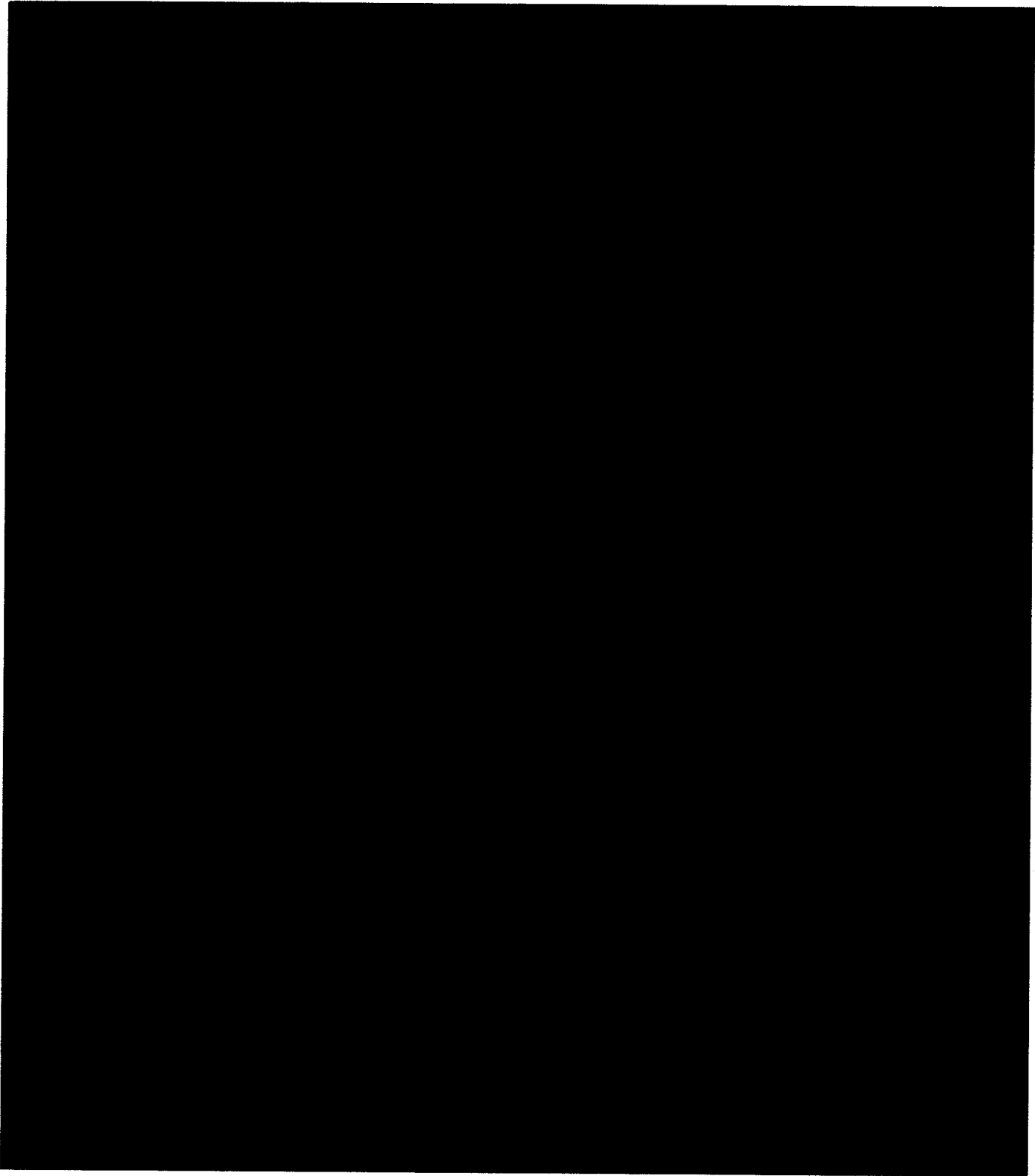
**LETTER TO BOARD OF DIRECTORS REGARDING RUS, 7 CFR, PART 1773,
RUS POLICIES CONCERNING AUDITS OF RUS BORROWERS**

Board of Directors
Five Area Telephone Cooperative, Inc.
Muleshoe, Texas

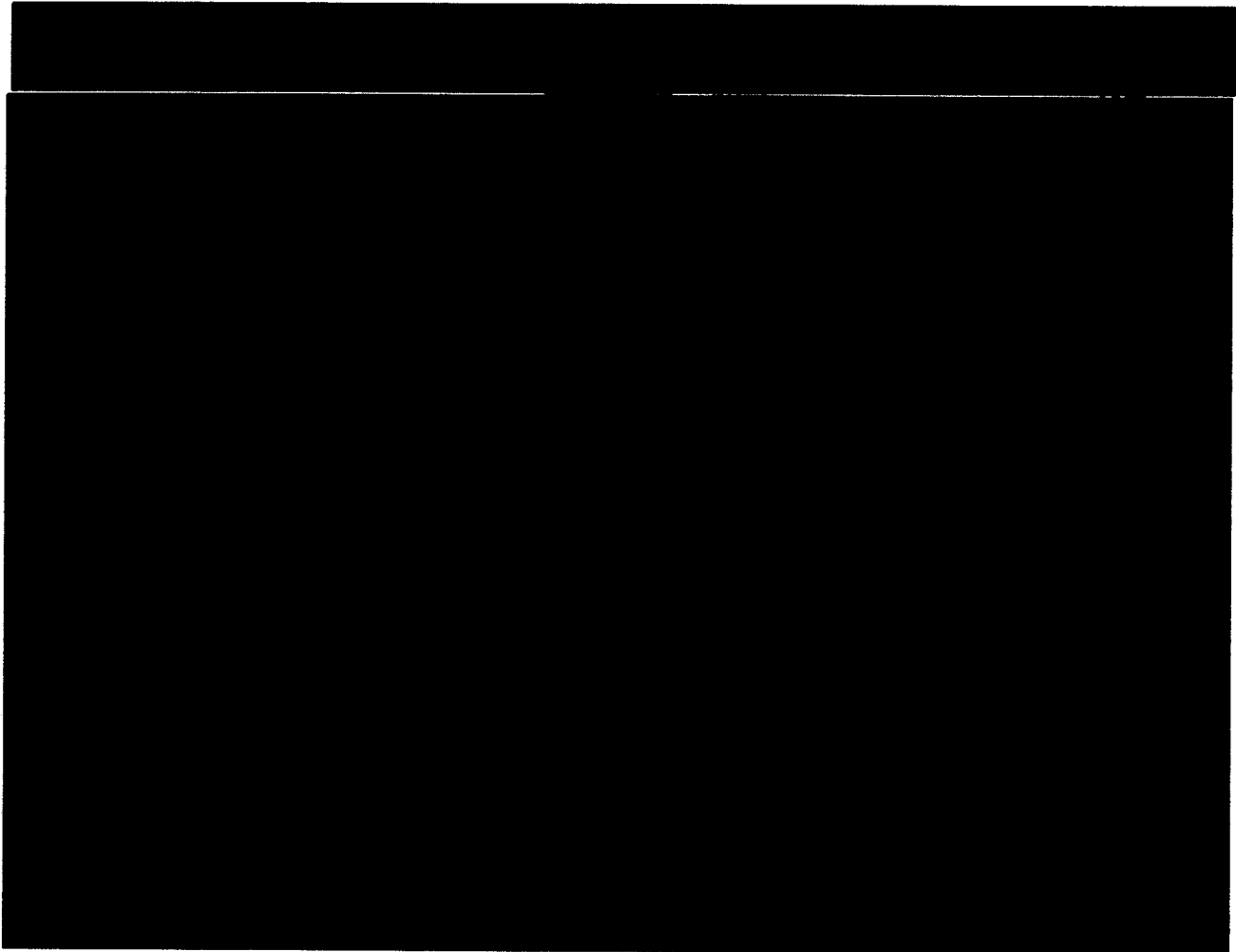
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Balinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

March 28, 2013